

February 24, 2010

WASHINGTON, D.C.—Today, U.S. Representatives Martin Heinrich, Harry Teague, and Ben Ray Luján voted for a bill designed to restore competition and transparency to the health insurance market. Co-sponsored by all three members, H.R. 4626, the Health Insurance Industry Fair Competition Act, amends the McCarran-Ferguson Act of 1945 by repealing the blanket antitrust exemption afforded to health insurance companies. The bill passed the House of Representatives today by a vote of 406 to 19.

“This bill puts the health of working families before the profits of health insurance companies,” said Rep. Heinrich. “Competition and transparency must be restored in the health insurance market – by repealing the blanket antitrust exemption afforded to health insurance companies New Mexicans will receive a fair deal, as they should.”

“It is about time we start cracking down on the insurance companies who for years have gotten away with raising premiums on hard working New Mexicans,” said Rep. Teague. “This bill will crack down on the worst corporate insurance practices and put some of the power back in the hands of the New Mexican families struggling to keep up with rate increases.”

“Today, we took an important step to hold insurance companies accountable for practices that harm consumers,” said Rep. Luján. “This legislation ends noncompetitive practices and forces insurance companies to compete with each other in the open market.”

Competition is the engine that drives our economy, spurs innovation, and ensures that the American consumer receives a fair deal on goods and services. But for far too long, the health insurance industry has played by a different set of rules. Under H.R. 4626, health insurers will no longer be shielded from legal accountability for: price fixing, dividing up territories among themselves, sabotaging their competitors in order to gain monopoly power, and other such

anti-competitive practices.

Removing health insurance's antitrust exemption will give antitrust enforcers such as the U.S. Department of Justice and the Federal Trade Commission the authority to investigate any evidence of possible collusion within the health insurance industry. H.R. 4626 would put an end to the 65-year-old prohibition on the federal government's ability to protect honest competition against bad actors in the health insurance industry.

Experience has shown time and time again the benefits of increased competition in the form of lower prices, increased choice, and greater innovation. A healthy and competitive health insurance market will drive prices down in the health insurance industry, just as we have seen it do in so many other industries where competition is allowed to take hold.

H.R. 4626 is supported by numerous groups including the American Hospital Association, American Nurses Association, American Academy of Pediatrics, Consumers Union, Consumer Federation of America, and Center for Justice and Democracy.